



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

FEB 24 2005

OFFICE OF THE ADMINISTRATOR

The Honorable Bill Frist
Majority Leader
United States Senate
Washington, DC 20510

Dear Senator Frist:

In accordance with Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004, P.L. 108-199, the U.S. Small Business Administration (SBA) hereby provides its report on competitive sourcing efforts through September 30, 2004. Responses to items (1) through (7) in the Act are provided as attachments in accordance with guidance provided by the Office of Management and Budget.

In response to item (8), the SBA plans competitions in FY 2005 involving an estimated 121 Full-Time Equivalent (FTE) positions. For item (9), the SBA has aligned its competition plan with our transformation plan and the human capital strategies being executed under the President's Management Agenda. Successful alignment of competition and human capital planning has been reinforced through SBA's organizational structure, where one senior policy official has been given oversight over both areas. This structure has facilitated open communication and regular meetings to address the common objectives shared by these two management disciplines. Commercial activities selected for competitive study in FY 2005 are in need of restructuring and improvement to increase customer service levels, improve productivity and performance, and to lower annual operating costs. We expect these goals to be achieved once the competitions are fully executed.

In accordance with OMB guidance M-05-1, SBA calculates its fixed costs associated with the competitive sourcing initiative to be approximately \$150,000.

Should you have any questions or require additional information, please contact Brian Worth in SBA's Office of Congressional & Legislative Affairs, at (202) 205-6612.

Sincerely,

Hector V. Barreto
Administrator

Enclosures



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

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OFFICE OF THE ADMINISTRATOR

The Honorable J. Dennis Hastert
Speaker of the House of
Representatives
Washington, DC 20515

Dear Mr. Speaker:

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Sincerely,

Hector V. Barreto
Administrator

Enclosures